

# Formalising partnerships – Part 2

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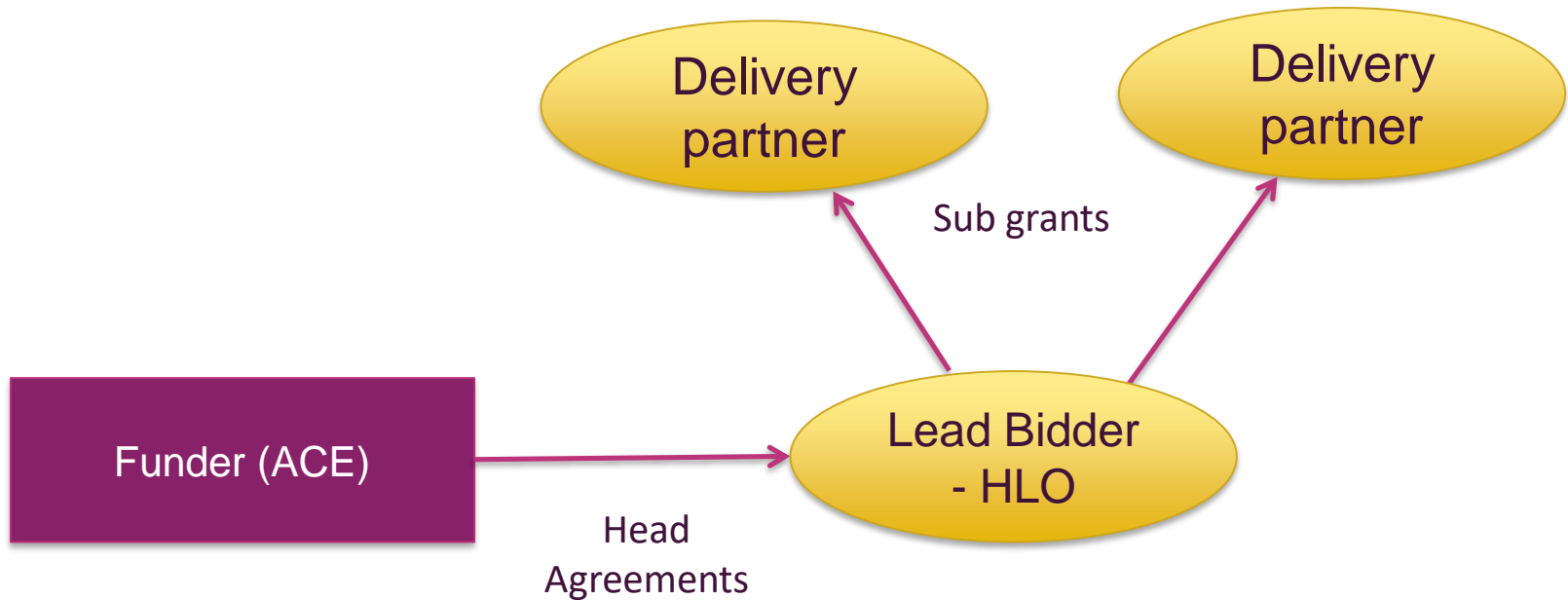


# What we'll cover

- Quick recap on our previous session
- The two main models – consortium and new entity
- Key points from the ACE guidance and subsequent commentary
- What should you do now?
- What to demonstrate in your application?
- Q&A

# Quick recap from last time

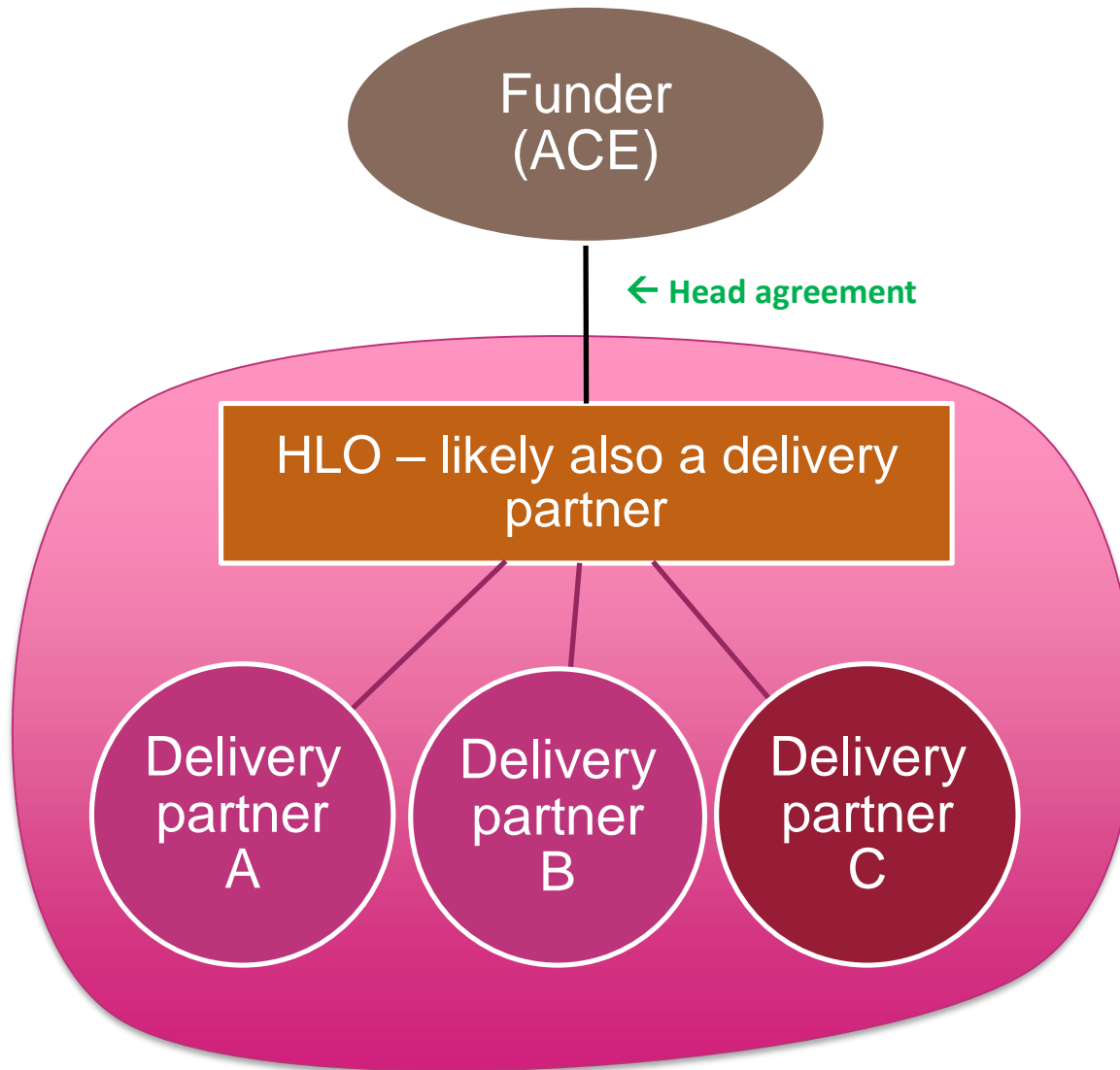
- Two main models music services can follow:
  - ‘consortium’ model
  - ‘new entity’ model



# Consortium model



# Consortium model



← Head agreement

← partnership/  
collaboration agreement  
between parties,  
including sub-grants to  
delivery partner(s)

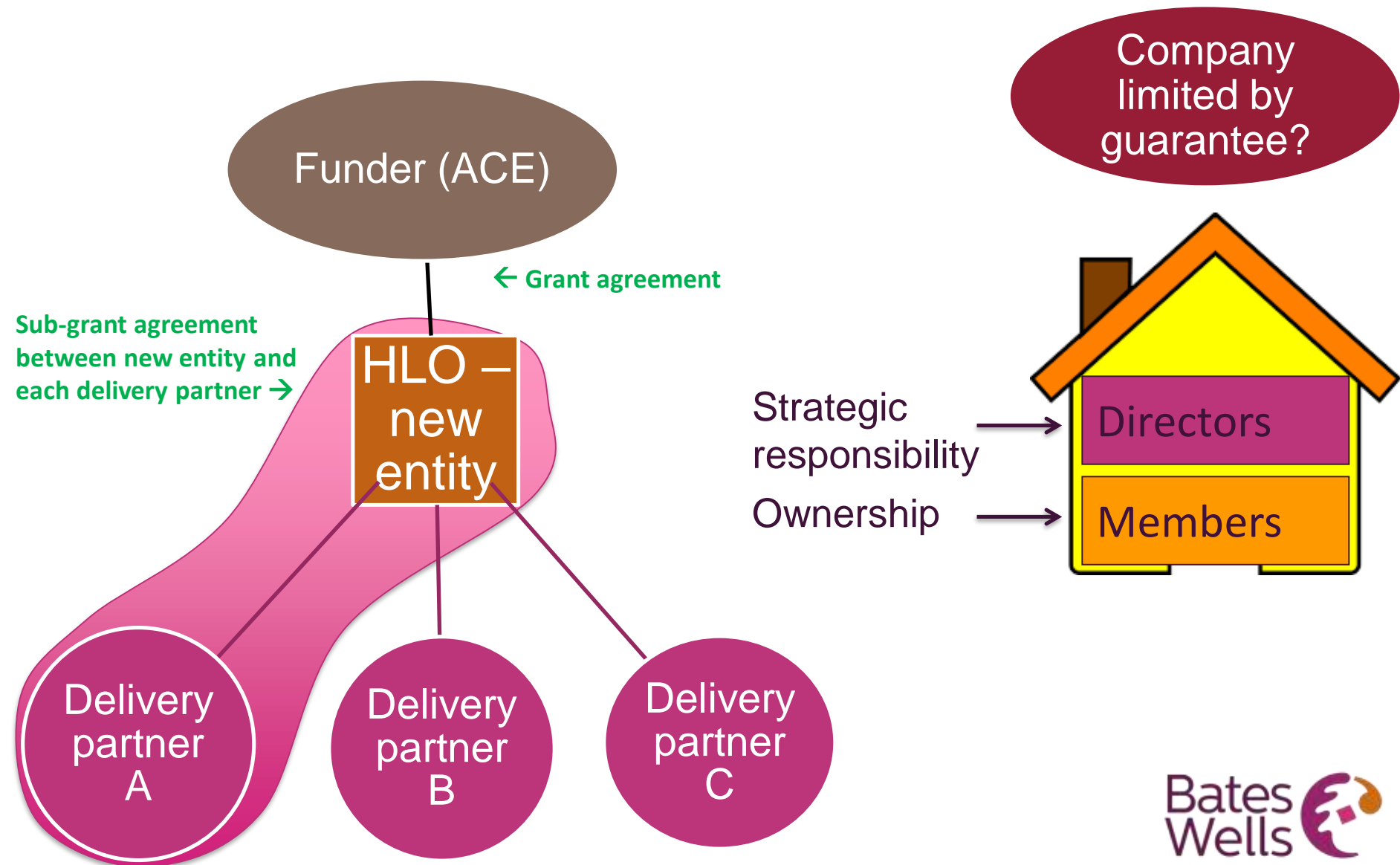
# Key points from ACE guidance and commentary (consortium model)

- For consortium applications
  - One organisation must act as lead and submit on behalf of consortium
  - Lead will be HLO and solely accountable to ACE
  - Lead will be considered against key criteria (financial etc)
  - Robust partnership agreement to be put in place and submitted to ACE before payment of first tranche of funding
  - Approach to partnership to be set out in application
  - May request sight of policies and procedures

# New entity model



# New entity model





# Key points from ACE guidance and commentary

## – new entity model

- New entity must be formed prior to submission if to be lead (and receive grant agreement directly). ACE flagged:
  - No track record – but ACE will accept information from partner organisations to meet eligibility criteria
  - Competitive process with no guarantee of award, so may be left with company that has no further purpose
- Alternative - to submit with a lead organisation using its track record etc but with intention to apply to novate to new entity post award. ACE flagged:
  - Need to set out clearly in application if you are planning to do this and how the governance will work
  - Lead will need to fulfil all eligibility criteria set out in guidance and accountable for application and award
  - Whilst ACE will likely support a novation if awarded, no guarantees
- ACE to issue further guidance as FAQs on what information they expect to be supplied in the application for this model

**What should you do  
now?**



# Timetable

ACE  
Guidance  
issued  
June  
2023

Application  
window  
opens July  
2023

Application  
window  
closes late  
October  
2023

Results  
announced  
Spring 2024

Go live  
September  
2024

# The collaboration journey

**For collaborations by agreement and new entities:**

Scoping of collaboration  
Objectives  
who/when/how?

Due diligence on parties (financial, legal, operational, cultural)

Confidentiality and protect commercial /sensitive information

Negotiate heads of terms, so parties are clear on principles/  
set up legal entity

Negotiate and enter into final documentation/  
set up legal entity

# What should you do now?

- Agree bidding agreement (to cover now until award)
- Agree heads of terms for a future collaboration agreement
  - You can refer to this in the application, include in. or add to, bidding agreement. and include a summary of it in the application to demonstrate approach

# What should the Bidding Agreement address?

How parties will collaborate and manage bid

How parties will ready themselves for award

Exclusivity

Confidentiality – non-disclosure

Exit, termination

Other practical issues (IP, comms, notifications)

Heads of terms for partnership agreement

# Partnership/Collaboration Agreement - some key heads of terms

Purpose of collaboration

How is the work going to be delivered?  
Who is doing what?

Payment – Clear provisions?  
Who controls and manages the budget?

Head agreement terms to comply with, such as reporting, monitoring and evaluation

Which parties are contributing resources – e.g. staff? Who is responsible?

What happens to property arising from the work (instruments, IP, databases etc)

# Partnership/Collaboration Agreement - some key heads of terms

How do parties communicate and make decisions?

Joint working mechanisms

Where does responsibility and liability lie?

Exit strategy?

New members  
Can others join in the collaboration?

Termination and post termination

What if there is a disagreement/ one party wants to leave?

Confidentiality



# Partnership/Collaboration Agreement - some key heads of terms

Duration of project and agreement

Record keeping, monitoring and reporting requirements

Tax/VAT (if they are providing services)

Data protection and ownership of databases data sharing agreement?

Can parties sub-grant?

Publicity, marketing and branding

Processes and policies

Processes for agreeing changes and variations to the agreement or services

# Key points from ACE guidance and commentary - assets

- Assets
  - Instruments
  - IP
  - Databases
  - other
- Hub board
  - Independence
  - Representative
  - 5 things they should demonstrate
  - Terms of reference
  - Charity Governance Code

# Key points from ACE guidance and commentary – governance and management

- Hub boards
  - Independence
  - Representative
  - 5 things they should demonstrate
  - Terms of reference
  - Charity Governance Code
- Consider who your stakeholders are and how you will engage with them
  - ACE expects you to demonstrate how you effectively engage stakeholders and ensure appropriate oversight
  - See “strategic functions for HLOs” guidance

# How we can help

- One to one support
- Bidding agreement
- Heads of terms checklist
- Partnership/collaboration agreement
- Setting up legal entities
- Membership agreement for new entity members
- Review of policies and procedures

## Links to key guidance referred to:

- <https://www.artscouncil.org.uk/our-open-funds/music-hub-investment/music-hub-investment-programme-making-your-application>
- <https://www.artscouncil.org.uk/partnership-agreement-guidance>
- <https://www.charitygovernancecode.org/en/front-page>

# Questions?





# Thank you.



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